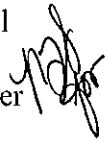




May 20, 2011

TO: Mayor and Members of Council
FROM: Rashad M. Young, City Manager 
SUBJECT: Items for Your Information

Contact Center Feedback

Attached is the report by the Contact Center for the week of May 9, 2011 – May 15, 2011.

May 24, 2011 City Council Work Session

- **3rd Quarter Budget Update:** Attached is the presentation for the 3rd quarter FY 10-11 budget update that will be presented Tuesday.

Landfill Negotiations Process

- Attached is a memorandum from Deputy City Manager Robert Morgan, dated May 20, 2011, outlining the steps for the contract negotiations.
- Attached are copies of the letters mailed to the two final companies, Gate City and Waste Industries, notifying them of the next step of the process.

Clarification of Budget Figures

Attached is a memorandum clarifying the figures from slide 5 of the FY11-12 Recommended Budget Presentation that was presented to Council on May 17, 2011.

Aquatic Center Financing Update

Attached is a memorandum from Finance Director Rick Lusk, dated May 20, 2011, providing an update on the current funds available to finish the Aquatic Center and the recommendation to issue GO Bond Anticipation Notes to cover the cash flow needs before the proposed \$30m in bonds are sold. This will come before City Council at the June 7, 2011, City Council Meeting.

Redistricting Update

According to the Department of Justice's website, they have received Greensboro's redistricting plan submission and have July 11, 2011, as the date of completion of their 60-day review. We will keep you updated as information is obtained.

Greensboro Metro Transit Service

Attached is a memorandum from Transportation Director Adam Fischer, dated May 19, 2011, clarifying statistical information in an article in the News & Record; "*Need ride? Metro area ranked low on busing*" on May 12, 2011, regarding the Brookings Report and Greensboro's metro area (Greensboro-High Point) ranking 74th out of 100 metro areas. Also attached is the article from the News & Record.

Grants

Attached is an updated list of grants for which the City intends to apply that do not require a match. Under the policy adopted by City Council, grants that do not require a match are not required to receive formal Council action.

Water Purification Process Change

A public education campaign will begin on June 6, 2011, to increase resident awareness of a change in Greensboro drinking water. On July 25, 2011, the City will convert its disinfection method from chlorine to chloramines disinfection to comply with new drinking water standards. Other water utilities joining us in this effort include: Archdale, Burlington, High Point Jamestown, Piedmont Triad Regional Water Authority, Randleman, and Reidsville. The public education efforts will consist of newspapers, television and radio stations advertisements. Printed material will also be created for distribution within the participating communities.

Chloramines have been used by utilities in the United States for almost 90 years and in North Carolina alone, over twenty water utilities are currently using this process. Chloraminated water is safe for bathing, drinking, cooking and all everyday water uses; however, there are three groups that have been identified that need to take special precautions when using chloraminated water: kidney dialysis patients, specialized businesses using highly treated water, and fish, amphibian and pond owners. The educational campaign will provide additional information for target groups. Information concerning the chloramines conversion can be found at www.greensboro-nc.gov/water.

RMY/nls
Attachments

**Public Affairs
Contact Center Weekly Report
Week of 5/9-5/15/11**

Contact Center

5089 calls answered this week

Top 5 calls by area

Water Resources

Balance Inquiry– 1334

New Sign up – 219

General Info – 138

Pay by Phone – 110

Request to Cutoff – 104

Field Operations

Bulk Guidelines– 133

Landfill/Transfer/HHW – 94

No Service/Garbage – 55

Repair Can/Garbage – 50

No Service/Yard Waste – 49

All others

Police/Watch Operations – 282

Overgrown Lots – 99

P&R/Smoking Ban Comments –
98

Courts/Sheriff – 69

P&R/Administration – 38

Comments

We received a total of **2** comments this week:

Water Resources – 2 comments:

- Customer is upset because they were not given a 24 hour advanced notice as to when the water would be turned off when working on the water line. Thinks they should be notified ahead of time. The City should be able to give an ETA as to how long the water will be off even if it is a contractor. The notice left on her door states we will give a 24 hour notice if the water is going to be turned off for an extended period of time.
- Customer wanted us to know how glad she is that we have an online payment system for water bills. It is now more convenient and easier for her to pay her bill.

Overall

Calls about the smoking ban in city parks continued to increase last week. Calls about overgrown lots also increased. Call volume was busy through the end of the week.



City Council Work Session

3rd Quarter FY 2010-2011 Budget Update
May 24, 2011

1

Summary

- Through the 3rd Quarter of FY 10-11, actual revenue collected compares favorably to budget in total although we do not expect to meet property tax, sales tax and privilege license tax budgeted amounts
- Total revenue collected (including transfers) of \$201.3 million is 78.1% of the \$257.7 million amended General Fund budget; last year \$199.9 million or 77.6% had been collected



2

FY 10-11 General Fund Overview – As of March 31, 2011

- Department spending has slowed down in the second half of the fiscal year vs. first six months
- Total expenditures and transfers of \$187.7 million are 72.8% of the \$257.7 million amended General Fund budget; last year \$181.8 million or 70.6% had been expended



3

FY 10-11 General Fund Overview – As of March 31, 2011 REVENUES

FY 10-11 Budget by Revenue Category		
	(in millions)	% Budget
Property Tax	\$146.3	56.8 %
Sales Tax	38.4	14.9
Utility Taxes	18.3	7.1
Beer & Wine/ABC	3.8	1.5
Privilege Licenses	3.2	1.2
Building Permit Fees	1.8	0.7
Waste/Trash Coll.	6.5	2.5
Other Revenue *	22.5	8.7
Transfers In	9.4	3.7
Appropriated Fund Bal.	7.5	2.9
Total	\$257.7 million (3/31/11)	100%

*Detailed breakdown of Other Revenue and Transfers is located on slide 20



4



FY 10-11 General Fund Overview – As of March 31, 2011 REVENUES

- FY 10-11 Estimated Assessed Valuation of \$24.25 billion (0.0% growth rate)
 - Reflects slowdown in economic activity
 - No tax base increase is projected in FY 10-11 due to declining business personal property and motor vehicle values; real property values estimated to increase 0.6% in FY 10-11
 - Tax base increased by 0.7% in FY 09-10 to \$24.35 billion
 - Tax base growth averaged 3.2% over past five years, including 2008 annexation
 - Net of 2008 annexation, tax base growth averaged 2.4% annually over past five years



5



FY 10-11 General Fund Overview – As of March 31, 2011 REVENUES

- Property tax revenue through March is \$139.7 million, or 95.5% of the \$146.2 million (current & prior years' revenue) budget
 - 59% collected by September 1st (1% discount date)
 - 94% projected collection by January 6th due date
 - Estimated 98% collection rate for taxes levied in FY 10-11; comparable to past two fiscal years
 - Property tax revenue is under budget estimate by \$1.9 million



6



FY 10-11 General Fund Overview – As of March 31, 2011 REVENUES

- Sales tax revenue received through March 31 is \$19.3 million, or 50.5% of the \$38.3 million budget
 - Received July-December monthly distributions from the State (payments lag by 3 months after month earned)
 - 2nd quarter revenue included the FY 10-11 sales tax hold harmless payment of \$1.4 million
 - Collections of \$19.3 million thru March '11 were 50.5% of budget compared to \$19.1 million or 48.6% thru March '10; however revenues in second half of year are not expected to meet budget by \$1.0 million - \$1.4 million
 - Growth in sales tax collections for remainder of the year will depend on general economic improvement



7



FY 10-11 General Fund Overview – As of March 31, 2011 REVENUES

- Utility tax revenues through March are \$9.1 million, or 50.1% of the \$18.2 million budget
 - Received 1st & 2nd quarter revenue distributions from the State (payment lags by 3 months after quarter earned)
 - Collections of \$9.1 million thru March '11 were 50.1% of budget compared to \$9.0 million or 47.8% thru March '10
 - 3rd & 4th quarter payments received June & September '11
 - Utility tax revenues are expected to exceed budget estimates by \$960,000 due to increased electric rates & consumption



8



FY 10-11 General Fund Overview – As of March 31, 2011 REVENUES

- Beer & Wine tax revenue is budgeted at \$1.1 million
 - The annual payment is distributed May 31, 2011
 - The FY 10-11 State budget restored the 2/3 reduction in the FY 09-10 Beer & Wine tax distribution of \$764,243
 - This tax revenue is expected to meet budget estimate (revenue for the period April 1, 2010 to March 31, 2011)



9



FY 10-11 General Fund Overview – As of March 31, 2011 REVENUES

- ABC Board Profit Distribution is \$1,337,469, or 50.0% of the \$2.67 million budget
 - 1st & 2nd quarter payments received - 3rd & 4th quarter payments due May & August 2011
 - The ABC Board Profit Distribution has included a \$100,000 per quarter deduction since FY 07-08 to increase working capital and provide for future expansion & capital improvements
 - Projected revenue of \$3.08 million was reduced by \$400,000 for a net tax payment budgeted at \$2.68 million
 - ABC revenue is expected to meet budget estimate



10

FY 10-11 General Fund Overview – As of March 31, 2011 REVENUES

- Other Revenue Collections
 - Privilege Licenses – Business activity has remained slow and annual revenue is estimated at \$2.99 million or 94.2% of the \$3.18 million budget, primarily due to lower reported gross receipts
 - Building Permit Fees – 9 months revenue of \$1.5 million is 81.9% of the \$1.8 million budget with revenues 25.6% higher than the 3rd quarter of FY 10-11; annual revenue is expected to exceed budget
 - Waste/Trash Coll. Fees – commercial activity has stabilized and 9 months revenue of \$4.9 million is 76.0% of \$6.4 million budget
 - Other Revenue – 9 months revenue of \$17.7 million is 78.8% of the \$22.5 million budget



11

FY 10-11 General Fund Overview – As of March 31, 2011 EXPENDITURES

FY 10-11 Budget by Cost Category

	(in millions)	% Budget
Salaries	\$107.9	41.9
Benefits	40.7	15.8
Maint. & Op.	80.0	31.0
Transfers Out	28.8	11.2
Capital Outlay	<u>.3</u>	<u>0.1</u>
Total	\$257.7 million (3/31/11)	100%



12



FY 10-11 General Fund Overview – As of March 31, 2011 EXPENDITURES

- Total salary costs through the 3rd quarter of FY 10-11 are \$81.6 million, only 0.6% higher than FY 09-10 (\$81.1 million)
 - More frequent recruit classes are leading to fewer vacancies in Police and Fire
- Benefits costs of \$32.2 million are 6.0% greater as compared to FY 09-10
 - Retirement contribution expenditures of \$9.6 million are 15.0% greater than last year and include mandated contribution increases to the state retirement system
 - Other benefits cost components include
 - 5.5% increase in contributions to the Health Insurance Fund
 - No increase in contribution to Workers Compensation Fund



13



FY 10-11 General Fund Overview – As of March 31, 2011 EXPENDITURES

- Maintenance and Operating (M&O) costs are about \$100,000 below the expenditure level for FY 09-10
 - \$52.1 million, or 0.2%, less than FY 09-10
 - Actual M&O costs of \$52.1 million are approximately 65.2% spent for the 3rd quarter of the year compared to 65.9%, or \$52.2 million, for the same period in FY 09-10
 - Accounting for outstanding encumbrances at the end of March, expenditure rates are adjusted to 70.9% in both FY 09-10 and FY 10-11



14



FY 10-11 General Fund Overview – As of March 31, 2011 EXPENDITURES

■ M&O costs (cont'd)

- Overall fuel costs for both gas and diesel are 19.5% and 17.4% higher, respectively, as compared to FY 09-10
 - City per gallon costs for fuel in March 2011 are about 35% higher than costs in March 2010
 - Total fuel costs through March of \$2.8 million are \$436,250, or 18.5%, greater than the same period last year
 - Year end projections of \$3.9 million will place fuel costs beyond \$3.5 million budget
- Vehicle maintenance items account for approximately 18%, or \$14.3 million, of the \$80 million total M&O budget
 - Actual costs to date are running about \$262,000, or 2.4%, less than last year
 - Budget reductions implemented for FY 10-11 resulted in some rolling stock being taken out of service



15



FY 10-11 General Fund Overview – As of March 31, 2011 EXPENDITURES

■ M&O costs (cont'd)

- Heating and Electricity Costs through 9 months are \$140,260, or 6.1%, below last year
 - Electrical consumption fell by 2.2% through March as compared to FY 09-10
 - Natural gas consumption increased 9.6%
 - Contracted service costs due to volunteer fire departments is reduced from \$2.4 million in FY 09-10 to \$1.6 million in FY 10-11
 - Contract with county fire district #13 is reduced through absorption of 13 firefighter positions from the district



16

FY 10-11 General Fund Overview – As of March 31, 2011 EXPENDITURES

■ FY 10-11 Total Expenditures (Estimated)

Salaries	\$108.40 million
Benefits	40.90
M&O	71.12
Transfers to Other Funds	28.77
Capital Outlay	<u>0.30</u>
Total Est. General Fund Expenditures	\$249.49 million



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General Fund							
Year-to-date Financial Performance							
as of March 31							
	2010 YTD (3/31/10)	2011 YTD (3/31/11)	'10-'11% Change	Actual YTD % of Budget Collected	Amended FY 2010-11 Budget	Projected FY 2010-11 Actual	Projected % Collected
Revenues							
Property Tax	141,204,870	139,744,063	-1.0%	95.5%	146,279,620	144,375,300	98.7%
Sales Tax/Hold Harmless Payments	19,079,951	19,365,829	1.5%	50.5%	38,363,885	36,965,100	96.4%
Utility Taxes	8,974,002	9,168,393	0.0%	50.1%	18,294,345	19,253,685	105.2%
Beer & Wine/ABC System Profit Distrib.	1,368,127	1,337,469	0.0%	34.6%	3,861,500	3,861,500	100.0%
Privilege Licenses	3,055,884	2,909,728	-4.8%	91.4%	3,184,000	2,998,000	94.2%
Building Permit Fees	1,280,186	1,500,962	17.2%	81.9%	1,832,268	1,896,400	103.5%
Waste/Trash Collection	4,940,066	4,929,473	-0.2%	76.0%	6,488,000	6,488,000	100.0%
Other Revenue	16,698,186	17,731,037	6.2%	78.8%	22,502,640	22,952,700	102.0%
Total Revenues	196,601,272	196,686,953	0.0%	81.7%	240,806,258	238,790,685	99.2%
Transfers In from Other Funds	3,354,277	4,663,372	39.0%	49.8%	9,370,639	9,370,639	100.0%
Appropriated Fund Balance	0	0	0.0%	0.0%	7,571,109	0	0.0%
Total Revenue, Transfers and Appropriated Fund Balance	199,955,549	201,350,324	0.7%	78.1%	257,748,006	248,161,324	96.3%
Expenditures							
Personnel (Salaries & Benefits)	111,480,858	113,768,725	2.1%	76.5%	148,640,980	149,300,000	100.4%
Maint. & Operations	52,227,586	52,131,297	-0.2%	65.1%	80,020,836	71,120,000	88.9%
Capital Outlay	191,834	249,420	30.0%	78.7%	317,076	314,400	99.2%
Total Expenditures	163,900,278	166,149,442	1.4%	72.6%	228,978,892	220,734,400	96.4%
Transfers Out to Other Funds	17,916,012	21,590,468	20.5%	75.0%	28,769,114	28,763,282	100.0%
Total Expenditures and Transfers	181,816,290	187,739,910	3.3%	72.8%	257,748,006	249,497,682	96.8%
Revenues Over Expenditures							Use of Fund Balance
& Net Transfers	18,139,259	13,610,414	-25.0%		0	(1,336,358)	

18

18

TOTAL OTHER REVENUE			
Description	YTD Actual Revenue	Amended Budget	Balance
Gross Receipts Tax	139,253	241,900	102,647
State Grants	237,882	306,713	68,831
State Court Fees	94,098	115,000	20,902
State Pyrnts In Lieu Of Taxes	231,438	308,575	77,137
Local Government Grants (Includes County Library contribution)	2,236,416	2,570,867	334,451
Motor Vehicle Licenses	509,826	715,000	205,174
Cable & Phone Franchise Fees - Long Distance Licensing	730,082	609,742	120,340
Fines And Forfeitures	1,201,770	1,585,655	383,885
Planning & Community Development	328,021	377,146	49,125
Law Enforcement - Contracted Services	2,193,326	2,585,048	391,722
Fire Protection	155,715	216,835	61,120
P&R Concessions & Admission Fees	2,323,590	3,726,302	1,402,712
Library Fees	15,417	16,580	1,163
Rents - P&R	408,460	627,175	218,715
Rents - Engineering & Inspections	588,453	648,300	59,847
Rents - All Other	190,280	240,685	50,405
Transportation Reimbursements from State	554,036	792,205	238,169
Internal Service Charges - W&S and other funds	1,137,376	1,498,500	361,124
Donations And Private Contributions / Fire & Public Safety	57,492	105,000	47,508
Indirect Cost Revenues - W&S and other funds	2,750,490	3,763,165	1,012,675
Cost Sharing Reimbursements / Internal Charges	758,274	750,224	8,050
Other Revenue / Miscellaneous Revenue All Depts.	889,343	702,023	187,320
Total Other Revenue	17,731,037	22,502,640	4,771,603
TRANSFERS IN FROM OTHER FUNDS			
Description	YTD Actual Revenue	Amended Budget	Balance
Transfer From Parking Facility Operating Fund	716,251	965,000	238,749
Transfer From State Highway Allocation Fund	2,222,390	5,746,000	3,523,610
Transfer From Street Improvements Bond Fund	0	370,000	370,000
Transfers From Equipment Services Fund	415,982	554,639	138,657
Transfer From Network Services Fund	1,308,749	1,745,000	436,251
Total Transfers In	4,663,372	9,370,639	4,707,267
TRANSFERS OUT TO OTHER FUNDS			
Description	YTD Actual Expense	Appropriation	Balance
Transfer to Cemetery Fund	224,419	299,224	74,805
Transfer to Housing Partnership	1,360,290	1,813,719	453,429
Transfer to State and Federal Grant	32,772	71,022	38,250
Transfer to Guilford Metro 911	3,188,669	4,251,560	1,062,891
Transfer to Debt Service Fund	12,518,775	16,691,700	4,172,925
Transfer to General Capital Improvement	93,749	125,000	31,251
Transfer to Coliseum Fund	1,190,657	1,587,542	396,885
Transfer to Solid Waste Management	2,827,137	3,769,515	942,378
Transfer to Equipment Services	154,000	154,000	0
Total Transfers Out	21,590,468	28,763,282	7,172,814

19




FY 10-11 Enterprise Funds – As of March 31, 2011


- Major Enterprise Funds are operating within general revenue and expenditure projections



20



QUESTIONS



21



May 20, 2011

TO: Rashad Young, City Manager
FROM: Bob Morgan, Deputy City Manager
SUBJECT: Solid Waste Disposal Contract Negotiation Steps

Please find below the steps that have been identified in consultation with HDR to accomplish the simultaneous contract negotiations for solid waste disposal. These steps are designed to clarify elements of both proposals and negotiate specific terms and conditions with each company. This next phase is critical in assuring the financial interest of the City is protected as it relates to solid waste disposal. By Tuesday of next week, a more detail outline will be provided along with a timeline for accomplishing each task.

STEPS FOR CONTRACT NEGOTIATION

1. Retain outside counsel.
2. Compile key contract terms from the RFP, and expand on them to be more comprehensive. Transmit as a draft to the finalists.
3. Compile a list of additional questions for the two finalists. Some of these will be oriented towards having the two firms further explain their approach to taking over and running the site, including having them price their alternative plan of waste management in the event getting additional capacity at White Street is unsuccessful.
4. Schedule and hold a meeting with each company separately. The primary agenda items will be review of the contract terms, and a discussion of their approach and answers to the questions posed in item 3 above.
5. Consider making a site visit to a facility operated by each firm.
6. Refine the contract terms, transmit to the firms, and get written concurrence from them that the terms are acceptable. Begin development of actual complete contract.
7. Summarize results of the simultaneous negotiation and present to Council.
8. Council votes to select one firm.
9. Finalize and enter into contract.

RM/mm



City of Greensboro
North Carolina

COPY

Office of City Manager

May19, 2010

Mr. F. Norbert Hector, Jr.
Gate City Waste Services, LLC
431 Raleigh View Road
Raleigh, NC 27610

Re: Selection of Proposal for Solid Waste Disposal

Dear Mr. Hector:

As you are probably aware, the Greensboro City Council narrowed down the proposals for solid waste disposal to two firms at its meeting on May 17, 2011. Your firm was one of those selected to remain in the process. The City Council directed the City Manager to enter into simultaneous contract negotiations with the two remaining firms. We anticipate developing the components to this process in the next several days. The City Council has also requested we complete the simultaneous negotiations in thirty (30) days. During this next phase, we expect to further clarify elements of both proposals and negotiate specific terms and conditions with each company to identify the best deal possible for the City of Greensboro.

The City Manager is meeting with City staff and outside consultants to develop the specifics of the process and the schedule for negotiations. This will be soon completed and we will notify you of how we intend to proceed.

We look forward in working with you as we proceed through the next step of the process.

Sincerely,

Ron Goodwin
Purchasing Manager

RG/dk

cc: Rashad Young, City Manager



City of Greensboro
North Carolina

COPY

Office of City Manager

May19, 2010

Mr. Jerry Johnson
Waste Industries, LLC
3301 Benson Drive
Suite 601
Raleigh, NC 27609

Re: Selection of Proposal for Solid Waste Disposal

Dear Mr. Johnson:

As you are probably aware, the Greensboro City Council narrowed down the proposals for solid waste disposal to two firms at its meeting on May 17, 2011. Your firm was one of those selected to remain in the process. The City Council directed the City Manager to enter into simultaneous contract negotiations with the two remaining firms. We anticipate developing the components to this process in the next several days. The City Council has also requested we complete the simultaneous negotiations in thirty (30) days. During this next phase, we expect to further clarify elements of both proposals and negotiate specific terms and conditions with each company to identify the best deal possible for the City of Greensboro.

The City Manager is meeting with City staff and outside consultants to develop the specifics of the process and the schedule for negotiations. This will be soon completed and we will notify you of how we intend to proceed.

We look forward in working with you as we proceed through the next step of the process.

Sincerely,

Ron Goodwin
Purchasing Manager

RG/dk

cc: Rashad Young, City Manager



May 20, 2011

TO: Mayor and City Council

FROM: Rashad M. Young, City Manager

SUBJECT: Clarification of Budget Figures Presented

Slide 5 of the presentation that I presented on Tuesday night included a series of figures that compared the budget recommendation for FY 11-12 against other figures. This slide has created some confusion for which I aim to clarify. In addition, there have been several news reports that compare the General Fund Budget reductions to the All Funds Budget and confuse how \$13 million in budgetary solutions can yield an increase to the budget of \$8 million. I will address this as well.

The General Fund is the primary fund that supports general operations of City Government. This fund is supported primarily by property tax, sales tax, intergovernmental revenues (state-shared revenues) and fees (eg building permit fees, recreation center fees, parking fines and fees, etc.) and supports departmental operations such as Police, Fire, Parks & Recreation, Libraries, Field Operations (refuse collection) and internal support departments (eg Finance, Budget, Legal, Clerk/Legislative, Information Technology, Human Resources, and Internal Audit). The All Funds Budget includes not only the General Fund but also Enterprise Funds, Special Revenue Funds, Debt Service Fund, and Internal Service Funds. These are defined on the following page in more detail.

The reason it is important to separate the General Fund from the All Funds budget is that this fund impacts the property tax rate that we set for property owners. This fund also supports the majority of the operational services that the City provides. All other funds are supported either by grant funds for specific projects, special taxes (i.e. hotel/motel taxes or municipal services districts) that support specific programs/projects, or user fees that are based on consumption/usage (i.e. tip fee at landfill or water rate for water consumed).

The figures on slide 5 show the FY 10-11 Adopted Budget, the FY 10-11 Amended Budget, the FY 11-12 Planning Budget, and the FY 11-12 Recommended Budget (can also be found in *Exhibit A*). The Adopted Budget is the budget that Council adopted effective July 1, 2010. The Amended Budget incorporates any budget adjustment made during the year that adds to/subtracts from the adopted FY 2010-2011 budget, such as the appropriation of grant funds. The FY 11-12 Planning Budget is a derivation of the FY 10-11 Year 2 Budget. Each year during the budget process, the City provides not only the next year's budget for Council adoption but also a second year budget for planning and information. As time moves closer to the Year 2 Budget, that number is revised to incorporate the current realities (mostly revenue assumption changes) and becomes the Planning Budget for the upcoming budget and also is what determines the budgetary gap for the succeeding fiscal year. The FY 11-12 Recommended Budget includes reductions that were made to the Planning Year Budget.

The General Fund Recommended Budget for FY 11-12, represents a decrease from not only the Planning Budget but also from the FY 10-11 Adopted and Amended Budgets. This is where the \$13 million in budgetary solutions are reflected. As you will note in *Exhibit A*, the Recommended Budget is \$9.3 million below the FY

11-12 Planning Budget, \$6.2 million below the FY 10-11 Amended Budget, and \$5.8 million below the FY 10-11 Adopted Budget.

The All Funds Recommended Budget shows an increase from the FY 10-11 Amended Budget as shown in *Exhibit B*. This change is exclusively due to an accounting change that requires the City to report the revenue and expense for events at the War Memorial Coliseum. Historically, the City only accounted for the Net Revenue. For instance, if a Concert cost \$100,000 but brought in \$110,000 in revenue, the City only accounted for the net of those two figures or \$10,000. Going forward, the City is required to account for the Revenue of \$110,000 and the Expenditure of \$100,000. This change does not provide more funds for the Coliseum to operate, it just accounts the receipt of the total revenue and the total expense for events and our budget has to reflect this change. Therefore, if you removed this \$10 million accounting change from the All Funds Budget, the Recommended Budget would be below the FY 10-11 Amended Budget. In addition, the FY 10-11 Amended Budget was \$10 million higher than the FY 10-11 Adopted Budget, which was primarily due to correcting for how employee premiums (what employees contribute to the employee insurance fund) are accounted for in the budget. This was understated in the Adopted Budget. If you adjust for this, the FY 11-12 Budget is equal to the FY 10-11 Adopted Budget.

Enterprise Funds are funded by user fees that are charged to users of the enterprise. All water/sewer fees are accounted for in a separate enterprise fund

- Water Resources
- Stormwater Management
- War Memorial Coliseum
- Parking Facilities
- Solid Waste Management

Special Revenue Funds are funded by specific revenue that has to be used for a specific purpose. For instance, most grant funds are treated in this category because they are to be used for a specific purpose and have to be accounted for to show that they were used for that purpose.

- Street/Sidewalk Revolving Fund
- Cemetery Fund
- Hotel/Motel Occupancy Tax Fund
- Special Tax Districts
- Housing Partnership
- Community Development

- HOME Program
- HOPE VI
- Workforce Investment
- South Elm Street Redevelopment
- State/Federal Grants
- Guilford Metro 911

Internal Services Funds are funded by all departments in the City by charging user fees to support the needs of the fund. For instance, all computer users are charged a fee by the Information Systems Fund too support the cost of operating, maintaining and supporting the City's network, server, and telecommunications infrastructure.

- Insurance funds (General Risk and Employee Risk)
- Equipment services
- Information Systems and Technical Services
- Graphic services
- Capital Leasing

Please let me know if you have any further questions or concerns.

RMY/nls

cc: City Manager's Office
Larry Davis, Budget Director

Replica of Slide 5 from 5.17.11 Budget Presentation

Exhibit A

(#s in millions)

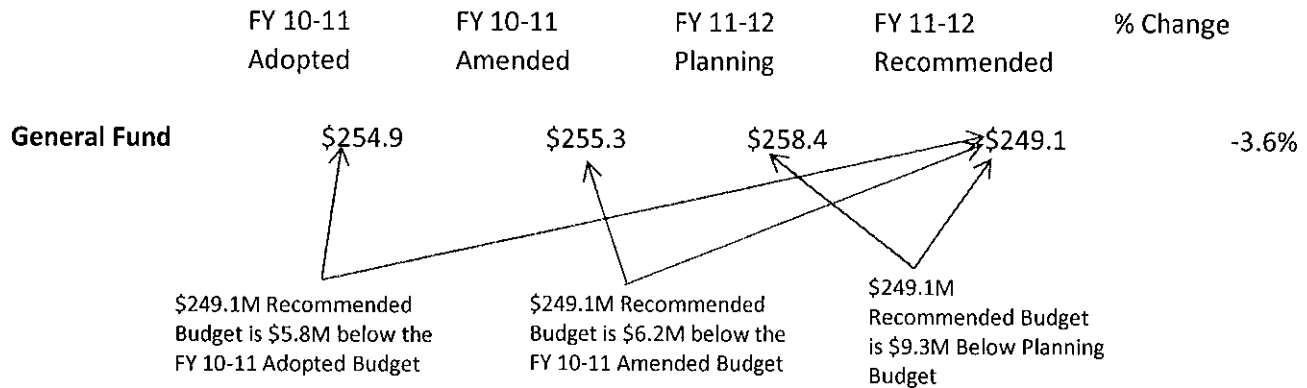
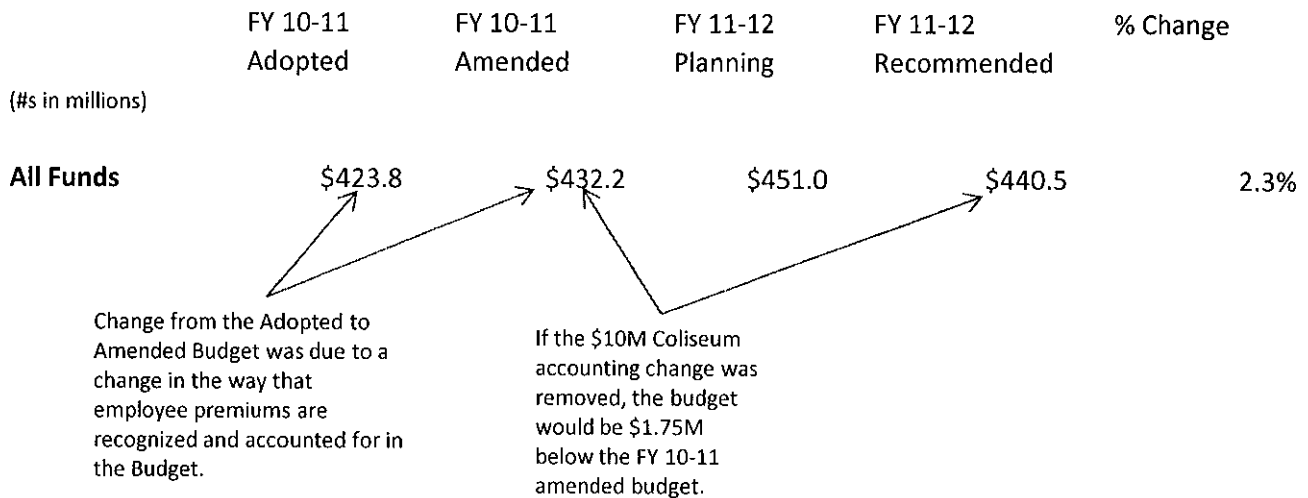


Exhibit B

(#s in millions)





May 20, 2011

TO: Rashad Young, City Manager

FROM: Rick Lusk, Finance Director

SUBJECT: Aquatic Center Financing Update -
Proposed June 2011 \$6 Million Bond Anticipation Note Issuance

We are at the point of needing to issue the remaining \$6 million GO bonds to fund the completion of this project. The Aquatic Center project is on schedule and will be completed August 2011. The budget for the \$19.6 million Aquatic Center project is comprised of \$12 million General Obligation (GO) Bonds, \$7 million Certificates of Participation (COP's) and \$600,000 in miscellaneous revenue. To date we have issued \$6 million in GO Bonds and \$7 million in COP's. Total revenues to date are \$13.76 million (including issue premiums, interest and sales tax refunds) and expenditures to date are \$13.55 million, leaving approximately \$210,000 cash on hand.

We propose issuing the balance of the GO bond authorization of \$6 million for this project pursuant to City Council approval on June 7, 2011. On that date City Council would consider the adoption of a resolution requesting the sale of \$6 million GO bond anticipation notes, on or before June 29, 2011, by the N.C. Local Government Commission. We expect to pay out \$3 - \$3.5 million in June and the balance by the end of August. The notes will be redeemed with a portion of the proposed January 2012 \$30 million GO bond sale.

Background

GO Bonds of \$12 million were authorized in the November 2008 GO Bond Referendum and the \$ 7 million COP's were authorized by City Council in 2009. Construction of the project commenced May 2010.

Summary of project financing:

- \$6 million GO bond anticipation notes were issued on June 29, 2010. The notes were redeemed with a portion of the October 2010 \$40 million GO bond sale.
- \$7 million COP's were issued on September 30, 2010. By agreement between the City, Guilford County and the Greensboro/Guilford County Tourism Development Authority,

debt service on the COP's will be reimbursed over the term of the agreement from the Authority's Hotel/Motel Tax proceeds.

- \$6 million GO bond anticipation notes were originally proposed to be issued February 2011 but were not needed until now based on construction project cash-flow. The \$6 million notes to be issued June 2011 will be redeemed with a portion of the proposed January 2012 \$30 million GO bond sale.

Summary of project expenditures:

	Projected Costs	Cumulative Amount
FY 09-10	\$ 1,959,223	\$ 1,959,223
FY 10-11	15,428,777	17,388,000
FY 11-12 (thru August 2011)	2,200,000	19,588,000

RL

cc: Bob Morgan, Deputy City Manager



May 19, 2011

TO: Rashad Young, City Manager

FROM: Adam Fischer, PE, Director of Transportation

**SUBJECT: Response to Brookings Report and N&R Article Entitled
"Need ride? Metro area ranked low on busing"**

In response to the May 12, 2011, New and Record article titled "Need ride? Metro area ranked low on busing", I would like to put this article, and the Brookings Institute Study it referred to, in proper perspective. The study is clearly an invalid indicator of the state of transit in Greensboro. The analysis in the Brookings Institute Study did not consider conditions in the GTA service area, but it included an analysis of the entire Greensboro-High Point- Metropolitan Statistical area, which is a large three county area (Guilford, Rockingham, and Randolph) that includes large sprawling rural areas with no fixed route transit services. Including this large rural area with no transit service severely skews any measure of transit service within the Greensboro service area.

By any measure, the story of transit in Greensboro since the 2002 adoption of the Mobility Greensboro Plan is one of progressive improvement in service and of increased ridership and community utilization. The implementation record is extensive and includes opening the J. Douglas Galyon Depot (2003), implementation of the HEAT service (2006), expansion of SCAT service Citywide (2007), implementation of 30 minute headways system-wide (2007), establishment of Route 15 (2008), the extension of all daytime routes to 11:30 PM (2009), and the establishment of various connector routes during this period.

The results in terms of ridership growth and system efficiency have been impressive as well. Over the past 8 years, ridership on GTA has doubled, increasing from 2 million passenger trips per year to over 4 million passenger trips. GTA ridership growth between 2001 and 2009 was the 2nd highest level of growth in NC over this time, behind only Chapel Hill in the relative magnitude of its ridership growth. As of 2009, Greensboro had the 5th highest bus ridership of any system in NC, following Charlotte, Chapel Hill, Durham, and Raleigh. GTA ridership numbers have doubled while still maintaining good service effectiveness. At an approximate average of 30 fixed route passengers per revenue hour, the GTA system was the 2nd highest in the state in terms of service effectiveness, with only Chapel Hill having a higher measure of service effectiveness.

The Brookings report ranks the Greensboro area 74th out of 100 selected “metro” areas in the country. However, the analysis includes the entire Greensboro-High Point Metropolitan Statistical Area: Rockingham County, Randolph County, as well as all of Guilford County including High Point. Considering these vast rural areas in this analysis significantly dilutes the impact of GTA transit services to this area. The inclusion of High Point also dilutes the impact of GTA transit services provided to this area as High Point provides less frequent fixed route service and limited night service.

The analysis is somewhat more valid in transit service for western areas of the United States that have physical barriers (mountains, oceans/bays) that limit sprawling land use patterns, or in the “built-out” more densely developed areas of the northeast. However the methodology used in the Brookings Institute Study is not reflective of urban transit service levels in the areas of the southeast United States with few physical barriers (mountains, oceans, bays) to limit sprawl in the rural areas that surround the larger metro areas. For example, the top rated metro area identified in the report is the physically isolated city of Honolulu, Hawaii. If you combined Honolulu with the remainder of the island to form a “metro”, this ranking would probably drop considerably. As another example, the Brookings report actually ranks the Charlotte Metro area slightly lower at 75 than the Greensboro Metro area at 74, which is another clear indicator that the methodology of the report is flawed. Since 2001, transit ridership on the CATS system in the Charlotte area has increased from 15 million annual trips to 26 million annual trips: a 74% increase. This doesn’t even include rail ridership, which has been very substantial as well.

Since the implementation of the Mobility Greensboro Plan in 2002, GTA has made great enhancements to transit services in the Greensboro service area. GTA is committed to providing efficient, safe, and cost effective services to serve the needs of this community and its residents. In the future, GTA will strive to improve existing services and provide additional opportunities for the utilization of mass transit as a viable transportation choice for the citizens of Greensboro.

AF
Attachment

cc: Mike Dawkins, Greensboro Transit Authority Chair
Libby James, Public Transportation Manager

news-record.com

Need a ride? Metro area ranked low on busing

- Article
- Comments (17)

Thursday, May 12, 2011
(Updated 4:56 pm)

By AMANDA LEHMERT
Staff Writer

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If you want to take the bus to work, you might have picked the wrong place to do it.

Among the 100 largest metropolitan areas in the nation, the Greensboro-High Point region ranks 74th in access to buses and other types of public transportation, according to a report by the Brookings Institution.

Researchers from the Washington, D.C.-based think tank studied whether communities offer quick transit where people live and work. The study in other areas included train and boat systems but only looked at buses in this region.

Forty-three percent of working-age people in the region can catch a bus near their homes, according to a report released today.

Only about 30 percent of jobs could be reached by bus.

The report's authors urged local leaders to look at who takes the bus and where they go to work.

Area transit officials said they are researching ways to work around service gaps and get people to jobs.

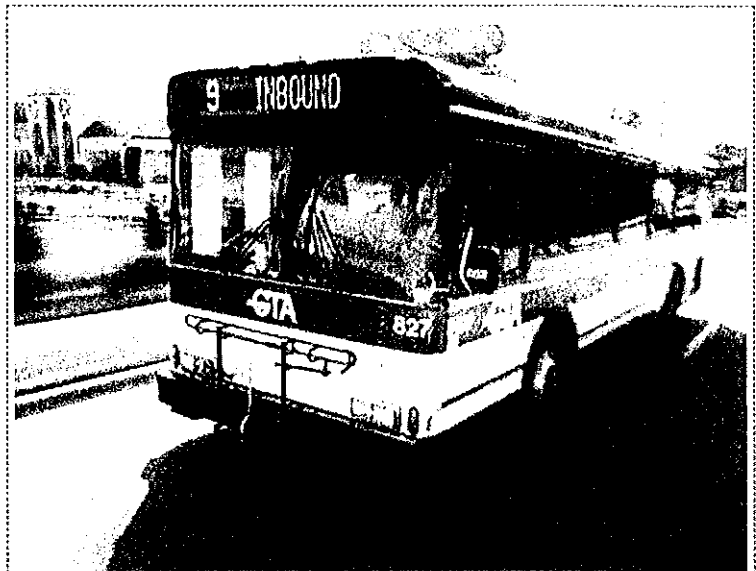
They said it's challenging to provide access to all potential riders in this region — which, for the purposes of the research, included Guilford, Randolph and Rockingham counties.

"It gets much more difficult to serve areas once you start sprawling out," Greensboro Transportation Director Adam Fischer said. "It is just not practical."

Researchers spent two years compiling data on transit routes, neighborhood incomes and job information to create the rankings, said Elizabeth Kneebone, one of the authors of the report.

The Greensboro-High Point region gets such low marks, in part, because of the lack of bus access in the more rural areas.

"Clearly, the big visible gap in your region is in the suburbs," Kneebone said.



Jerry Wolford (News & Record)

A Greensboro Transit Authority bus.

For instance, researchers found that only 8.2 percent of area workers — excluding those who live in Greensboro and High Point — have access to a bus near their homes. Inside the cities, 79 percent have access.

Those statistics make the region among the worst in the nation for transit coverage, according to the research.

Researchers also found that many transit systems follow antiquated commuting patterns, flowing in and out of urban areas. But 39 percent of work trips are suburban, according to the report.

"It's not just about getting into the city. It's about getting from a suburb to a suburb," Kneebone said.

That's an issue the Greensboro Transit Authority — which runs buses from a center-city hub — is studying, Fischer said.

Officials are looking at whether to add cross-town routes to get riders from one edge of town to the other without going to the downtown hub.

The Piedmont Authority for Regional Transportation has a van pool program that addresses the problem of jobs located beyond existing bus routes, Operations Manager David Morris said.

Six or seven workers can join together to hire a van to go directly from their neighborhood to a work site, he said.

Researchers also identified a gap between low-income residents and low- and middle-skill jobs.

The research found that the poorest residents have the best access to public transportation, but they may not be able to take transit to the jobs they are most qualified to do.

"High-skilled jobs are more accessible via transit than low-skilled jobs," Kneebone said.

Contact Amanda Lehmert at 373-7075 or amanda.lehmert@news-record.com

Comments

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